



White Paper - CPC 121 - Cost Per Click from Prospects to You

Search engines and many other websites offer digital advertising. For search engines it takes the form of keyword ads. A keyword is a search term someone enters into a search engine.

For other types of portal websites digital advertising comes in keyword ad, banner ad, e-newsletter image & text ad and term-embedded editorial response ad flavors. Often, all of these provide a click count for a response.

So, you place an ad and get 200 clicks. What does this mean in terms of results? The short answer is, it's hard to tell. You had 200 clicks, but you don't know if they're all unique individuals, if some people inadvertently clicked on the wrong ad or if any of them will turn into sales.

What you can do is compare the number of clicks from different search engines and portal sites,

such as a publication's digital version/website. And you can compare the cost of each click to try and maximize your return.

For example, if you pay \$2.50 per click on Google for an Adword and you pay \$1,000 for a banner ad on another site that garners you 500 clicks, the banner ad cost of \$2.00 per click ($\$1,000/500$) would be less expensive and all else being equal, get you a higher return.

The other thing that is often forgotten though is that all clicks don't weight the same. By this we mean that 10 clicks on a site that you identify as having an audience that's tightly defined around your core target may be worth more than 100 clicks on a generic search engine.

Sorting through all of this to maximize results takes experience and that's where AAI comes in.



Advertising Associates International